



# “Expand Globally in Partnership”

World Bank, Washington DC

September 15, 2008

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Embassy of Romania  
Trade & Economic Promotion Office

September 17, 2008



# “Expand Globally in Partnership with Romania”

WHY ROMANIA?



... you get access to a fast growing market, where costs are low and quality is high → **PROFITS (win- win)**

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# Major Reasons

- **European Identity, strong pro-American feelings, US Ally**
- **One of the largest CEE markets, and a very dynamic EU economy**
- **Attractive location**
- **Resources, low costs for utilities and land**
- **Highly-skilled and low cost labor force**
- **Business oriented Legal Framework & Stimulating Taxation**
- **Fairly well developed industries, agriculture, tourism**
- **Very good network of telecommunication, banking system**
- **Transport infrastructure under rehabilitation and modernization**
- **European Structural Funds available**

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# Romania

- **European Identity, strong pro-American feelings, US Ally**
- **One of the largest markets in CEE, and a very dynamic economy within the European Union**

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# Economy in Figures

INDICATORS	2002	2003	2004	2005	2006	2007
Real GDP rates (%)	4.7	4.9	8.3	4.5	7.6	6.9
Unemployment rate (%)	8.1	7.2	6.3	5.9	5.9	5.8
Inflation rate (%)	17,8	14,1	9,4	8,6	4.8	5.6
Exports increase (%)	21.8	27.0	21.3	17.5	16.6	13.7
Imports increase (%)	14.9	34.4	24	23,9	26.3	25.2
Import's covering % by export	77.6	73.3	72	68,3	63.2	57.7
Trade balance (billion \$)	-4,0	-6,4	-9,5	-10,3	-18.8	-27.9
Industrial output (average, %)	6,0	3,1	5	4,5	5.5	6.2

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# GDP



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# Unemployment

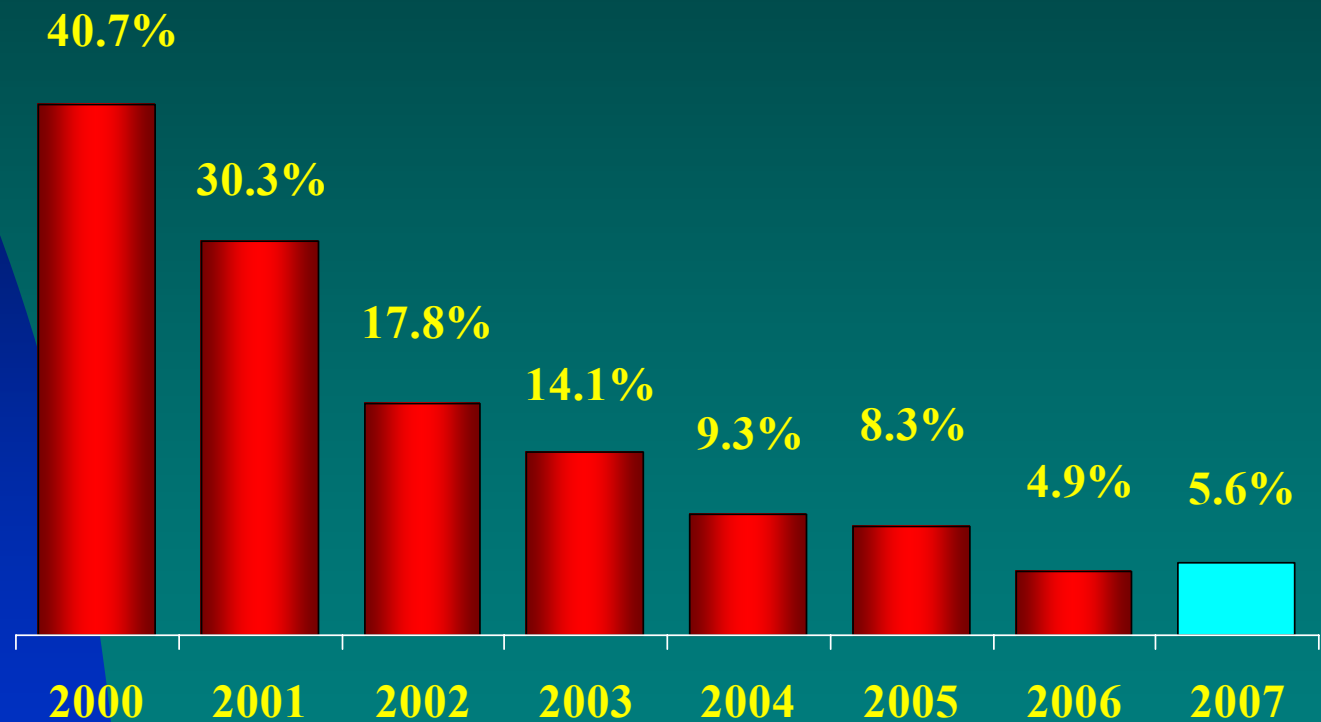


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# Inflation



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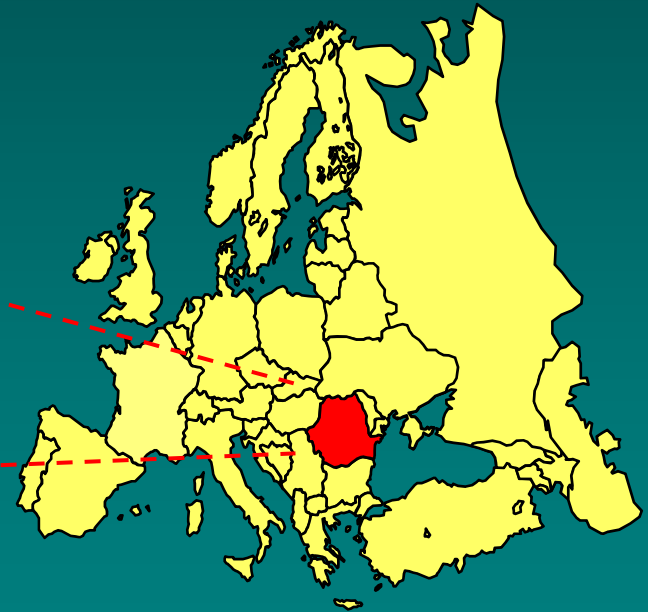




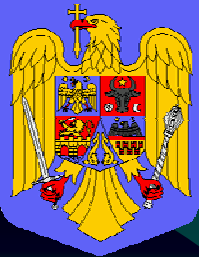
# Location

## Central Europe, South- Eastern

Attractive location, at the conjunction of 3 Pan - European Corridors.  
Strategic relevance at the Black Sea, Central Asia & Caucasus, and the  
Greater Middle East , with Constantza Port - the largest gateway  
Area = 228 sq. km (Minnesota); Population = 22.2 million (Texas)  
→ 7<sup>th</sup> largest in EU



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# Resources

## Natural

- Farm land: 40%; forests: 27%; pastures/hayfields: 20%; vineyards & orchards: 7%; waters & lakes: 6%;
- **Crude oil**, natural gas, coal, ferrous & non-ferrous ores, gold & silver ores, salt
- Carpathians Mountains, Danube Delta, **Black Sea**

## Human

- Highly skilled and low cost labor force
- Literacy level – 98.4%

## **Low costs for utilities and land**

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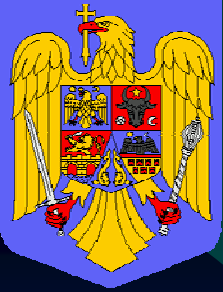


# Romania

- **Business oriented Legal Framework & Stimulating Taxation**
- **Fairly well developed industries, agriculture, tourism**
- **Very good network of telecommunication, banking system**
- **Transport infrastructure → rehabilitation & modernization**

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# Foreign Investment Guarantees & Rights

The all Rule:

- National treatment for all investors
- Foreign investment allowed in all sectors of economy
- Freedom to manage the company with all (full) ownership rights
- All (full) repatriation of capital and profits
- Protection against (all) expropriation and nationalization

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# Taxation

## Direct Taxation 16%

- Applicable to Corporate Earnings (Profit Tax and Dividends Tax)
- Applicable to Personal Incomes Tax

## Indirect Taxation

- Sole rate of VAT of 19%
- Excises, Custom Duties

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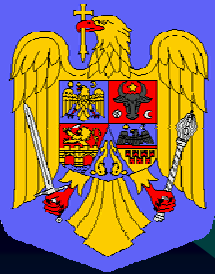


# Why Romania

- European Structural Funds available → **\$40 bn. (next 6-7 years)**

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# Best Sectors for Investment

- Automotive industry
- IT & Communication
- Energy – (bio-diesel)
- Manufacturing
- Electric & Electronics
- Real Estate
- Wood processing
- Construction materials
- Textile industry
- Food processing
- Infrastructure

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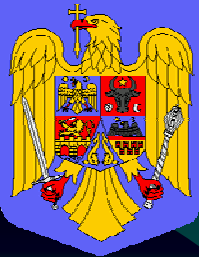
# US Investment Stories

- Qualcomm
- Solectron
- Oracle
- Washington Group International
- Procter & Gamble
- Timken Corporation
- Smithfield Foods
- General Electric
- AIG
- Ford

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# EMBASSY OF ROMANIA

## *Trade & Economic Promotion Office*

### WHO

We are part of the *Embassy of Romania in Washington DC*

### ROLE

*Our role is to serve as your **First contact point** for any trade & investment project between USA and Romania, and to provide services that support this mission*

### WHAT WE DO

*Our **services (free of Charge)** include assisting you to:*

- ★ *Help initiate and develop business relations with Romanian entities, exporters, importers, producers, trade associations, state or local institutions;*
- ★ *Help you locate products, and business partners in Romania;*
- ★ *Get information on major investment projects, privatization, other trade opportunities or business proposals in Romania.*

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# Thank you for your attention!

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